



Hurricane Katrina Disaster Relief and Economic Recovery Act

Highlights

(prepared by Office of Senator Mary L. Landrieu)

Department of Defense

- \$743 million for Defense Operation and Maintenance expenses incurred during relief efforts.
- \$547 million for the Department of Defense to procure needed equipment.
- Two year increase in the Family Separation Allowance to from \$250 to \$350, effective 29 August 2005.
- Ensures that all deployments in support of Hurricane Katrina relief efforts shall be credited towards the “mobilization” requirement in the six year deployment cycle policy of the Army National Guard, Air National Guard, and Army Reserve.
- \$748 Million for Defense reconstruction of military facilities and family housing in Louisiana.
- \$160,000,000 of the Military Construction fund will be directed to the City of New Orleans to implement the proposed “Federal City” initiative.

Veterans Affairs

- Provides \$1 billion for reconstruction and repair of damaged VA facilities and cemeteries, needed medical services, and general operating expenses.
- \$500 million to reconstruct and improve the New Orleans Regional VA Hospital.
- Suspend all co-pays for care and medications and to furnish necessary hospital care and medical services to each veteran affected by Hurricane Katrina.
- Provides waiver for veterans affected by Hurricane Katrina, allowing them to receive medical care from an area hospital, if a VA facility is not within 30 miles.

Commerce

- \$150 million in fisheries disaster assistance for distribution in direct grants to Louisiana harvesters and vessel owners as replacement of dockside values for all fishery resources.

- \$90 million in disaster assistance for the complete rehabilitation of hurricane-impacted public and private oyster reefs in the State of Louisiana.
- \$150 million for the establishment of strategically located emergency fisheries infrastructure facilities to service the affected fleets, fishermen and processors, to ensure that their product can reach market.
- \$35 million to the Louisiana Seafood Promotion and Marketing Board for the rebuilding of lost markets that have been challenged by Hurricane Katrina and its aftermath.
- \$4 million in emergency funding to the South Regional Climate Center for hurricane forecasting and data delivery in times of emergency. Additionally, \$5 million to the Louisiana State University Hurricane Center to implement an emergency response decision support system and expert guidance that can be rapidly deployed to support emergency response and recovery activities.

Human Services

- Dedicates \$400 million for substance abuse and mental health and substance abuse services for persons affected by Hurricane Katrina.

Energy

- National Energy Infrastructure Zones—Directs the Secretary of Energy to take all necessary actions to protect, improve, revitalize, rebuild and strengthen the country's energy infrastructure system.
- \$36 million dedicated to Louisiana to provide low income home energy assistance
- Electric Utility Relief-Modeled after the assistance provided to airlines after September 11th, would compensate electric utility companies and gas distribution companies for two types of costs: direct losses related to rebuilding, repair and restoration of facilities and services and for the loss of a significant part of a customer base for a sustained period of time.
- Shares 50% of OCS revenues annually with coastal producing states and coastal political subdivisions

Education

- \$750 million in teacher incentive funds will ensure that the school systems affected by Hurricane Katrina will be able to retain their qualified teaching professionals to staff their schools when students return to class.
- Allow for systems that serve as hosts to displaced students to receive \$4,000 per student to facilitate these students' transition into new systems and improve the instruction for these students.
- \$600,000,000 to rebuild early childhood programs such as Head Start and Early Head Start for costs associated with services for children, including nutrition, materials, hiring addition personnel, and rental space.
- \$2 billion dollars to assist areas impacted by Hurricane Katrina to repair, renovate, alter, or construct educational facilities.
- \$1 billion to the Louisiana Department of Education to meet the costs of affected school districts. These funds will allow schools in the affected areas to keep their funding regardless of enrollment for one year and will aid in maintaining operation and re-starting schools.
- \$5 billion will be given to a Postsecondary Education Stabilization Board to establish an Education Relief Fund to compensate postsecondary education institutions for direct and associated losses due to the impact of Hurricane Katrina.

- Requires the Secretary of Education to grant a waiver to all affected Institutions of Higher Education for unused Federal Work Study Programs funds.
- Requires the Secretary of Education to grant a six month deferment to all students affected by Hurricane Katrina participating in the Title IV loan program.
- Funding will be calculated under the Individuals with Disabilities Act for the 2005-2006 school year and the 2006-2007 school year for the Secretary of Education to use the data from the 2004-2005 school year to determine the number of children in each State that are in need of such allocation.

Justice

- Provides \$650 million for salaries, expenses, and lost equipment for police, firefighters, EMT's, district attorneys, Public Defenders offices, courts, and others in the disaster area.
- Increases COPS program funding by \$200 million to hire police officers in areas that have experienced large influxes of displaced people as a result of the hurricane.
- Provides \$10 million for a program to unite missing children with their family members in the aftermath of Hurricane Katrina.
- Encourages federal courts and the GSA to make accommodations available to state and local courts whose operations have been disrupted by the hurricane.

Interior

- \$150 million for a special historic preservation grant program to provide direct funding to owners of historic structures and artifacts affected by Hurricane Katrina. In addition, this program will be administered in collaboration with the State Historic Preservation Office and the National Center for Preservation Technology and Training in Natchitoches, Louisiana. The match will be established at 75% federal and 25% non-federal, as opposed to the usual 50/50. The non-federal match can be cash, donated services, or use of equipment and labor.
- \$10 million for wildlife habitat and species restoration in the areas affected by Hurricane Katrina.

Emergency Preparedness and Response

- Ensures that religious organizations will not be denied federal assistance in repairing, restoring, reconstructing, or replacing their facilities following damage or destruction of those facilities as a result of Hurricane Katrina.
- Authorizes \$91.2 million to provide immediate command centers and communications following a disaster or other emergency.
- Authorizes \$50 million for speedy submission of a regional plan and its implementation, including a center at the Federal City complex that will be constructed at the Naval Support Activity in Algiers, LA.
- Provides \$600 million to the Louisiana Commission on Law Enforcement to implement the Louisiana Totally Interoperable Environment (LATIE).
- Provides emergency funding for the rebuilding of the public telecommunications infrastructure and facilities that were damaged or destroyed by Hurricane Katrina in the amount of \$250 million.
- Provides that the individual now serving as Special Inspector General for Iraq Reconstruction will, in addition to continuing to serve in that role, also take on the role of Special Inspector General for

Hurricane Katrina recovery activities for at least the next two years. Makes it his duty to conduct and coordinate audits and investigations of the treatment, handling, and expenditure of federal funds for Hurricane Katrina recovery, as well as programs, operations, and contracts carried out using such funds.

- Requires GAO to track spending of money appropriated in each Hurricane Katrina emergency supplemental appropriations bill and report to Congress with its findings.
- Establishes the AmeriCorps Disaster Relief Corps to carry out national service projects that address the needs arising from the consequences of Hurricane Katrina, and other major disasters and emergencies.
- Provides \$250,000,000 for emergency assistance to firefighters.
- Provides \$10,000,000 for USCG fisheries program

Housing

- \$5 billion for 6-month mortgage relief for those in affected areas to allow people to work to rebuild their homes without the threat of foreclosure.
- \$50 billion in Community Development Block Grants will be available to provide disaster relief and promote long-term recovery in the communities hardest hit by Hurricane Katrina. Also waives all income requirements and raises the maximum project amount from \$1.5 to \$10 million.
- \$3.5 billion for vouchers to pay temporary housing costs for displaced families, regardless of income and other typical eligibility requirements for relocation nationwide. Eases regulatory requirements to improve the flow of federal housing funds to affected disaster areas.
- Waives income and rent requirements under the HOME Investment Partnership Program to provide incentives to build mixed-income housing in the Hurricane Katrina Disaster Zone.
- Allows citizens affected by Hurricane Katrina to classify as First-Time Homebuyers to qualify for federal mortgage assistance programs available to First-Time Homebuyers.

Health Care

- Provides targeted Disaster Relief Medicaid (DRM) coverage for all these Katrina survivors up to 100% of the federal poverty level or up to 200% for pregnant women, children and the disabled. Louisiana parishes under a disaster declaration and other states caring for these Katrina evacuees are reimbursed at 100% FMAP for care provided through DRM.
- Grants volunteers who provide assistance to victims of Hurricane Katrina immunity from liability for injuries resulting from aid provided to such victims, except for injuries caused by willful, wanton, reckless or criminal conduct or conduct that constitutes a violation of a federal or state civil rights law.
- Establishes an emergency fund to ensure that individuals or businesses that have private insurance do not lose their coverage because of Hurricane Katrina. This fund will pay for the premiums and co-pays of displaced individuals who had preexisting private health insurance and small businesses who provided health benefits through private insurance to their employees. In doing so, this will reduce the number of displaced individuals who will rely on the Emergency Medicare and Medicaid program for immediate health insurance.
- Amends the National Health Service Corps such that individuals who agree to work in areas affected by Hurricane Katrina are given priority during the grant application process. It further offers a reduced loan program for individuals who accept grants to work in the affected areas.
- Amends the Community Health Center Grants such that applicants who apply for community health center grants in areas in which the President has declared that a major disaster exists receive priority in the grant

application process. It further waives any requirement or eligibility criteria that the Secretary deems appropriate in awarding these grants.

- Allows the Secretary to grant immediate certification of federally qualified health center upon any community hospital that has requested that designation prior to Hurricane Katrina.
- Allows Louisiana hospitals, physicians, community health centers and clinics to receive help in cover expenditures related to caring for Hurricane Katrina victims without insurance.
- \$300 million for the Centers for Disease Control and Prevention for toxicity screening, assessment, and tracking.
- \$100 million is provided for Mosquito abatement activities.
- Provides \$1.0 billion available to the Secretary of Health and Human Services to cover healthcare costs and expenses incurred by the public health emergency created by Hurricane Katrina. \$800 million of this amount shall be dedicated to rebuilding healthcare infrastructure.
- \$50 billion in Community Development Block Grants will be available to provide disaster relief and promote long-term recovery in the communities hardest hit by Hurricane Katrina.
- Mortgage relief for those in affected areas in the amount of \$5 billion will allow people to work to rebuild their homes without the threat of foreclosure.
- Provides \$1 billion to the Department of Health and Hospitals for emergency services

Bankruptcy Relief

- Excludes payments from FEMA, other disaster relief agencies, and charitable organizations directly associated with a natural disaster from the definition of current monthly income
- Allows actual expenses incurred as a direct result of a natural disaster to be treated as expenses for purposes of the bankruptcy code's chapter 13 means test
- Permits victims of a natural disaster to file for bankruptcy without first completing credit counseling if a natural disaster prevents them from doing so;

Small Business

- Authorizes and appropriates \$150 million to the Louisiana Department of Economic Development (LED) to provide emergency bridge loans or grants to small businesses in the disaster areas that have been adversely impacted by Hurricane Katrina and need immediate access to capital until they can get other loans or financial assistance. Also includes provisions that gives LED more discretion in forgiving loans, allows loans to turn into a grant if business stays in community of origin for 5 years, and defers first payment on loans under this program for one year.
- A one-year period after receiving an SBA Disaster Loan before businesses would need to begin making interest and principal payments
- Authorizes increased funding for the SBA's counseling and training resources to help small businesses directly and indirectly affected by Hurricane Katrina to recover. The total amount proposed is \$33.75 million: \$21 million for the Small Business Development Centers; \$5 million for Microloan technical assistance; \$4.5 million for the Women's Business Centers; \$2 million for SCORE; and \$1.25 million for the Veterans Business Outreach Centers.
- Refinancing of existing Disaster Loans and business debt
- Increases the cap on small business disaster loan cap from \$1.5 million to \$10 million
- Increases the program level for SBA Disaster Loans (Physical and Economic Injury) by approximately \$600 million, requiring an appropriation of approximately \$86 million.

- Makes the declared disaster areas an Historically Underutilized Business Zone (HUBZone) which gives a preference to small businesses in the disaster zone when they bid on federal contracts.
- Sets small business prime contracting goal of 30 percent, and a subcontracting goal of 40 percent so that at least 30 percent of prime contract dollars and 40 percent of subcontracting dollars allocated through emergency funds to rebuild the affected areas will be directed to small businesses in the affected regions.

Agriculture

- Provides \$ million crop disaster assistance to for all commercially grown crops in Louisiana (other than sugarcane) that have suffered qualifying losses to their 2005 crop due to Hurricane Katrina
- Establishes a sugarcane disaster assistance program modeled on the FY 2003 program to compensate growers for estimated losses of \$165 million plus anticipated lower production in 2006 due to damage caused by Hurricane Katrina.
- Provides \$500 million to re-build critical agriculture infrastructure losses
- \$10 million in assistance for dairy cattle losses, production losses and animal health costs not including infrastructure losses.
- \$11 million to implement the Livestock Indemnity Program and Livestock Compensation Program for the 11,000 head of cattle lost due to Hurricane Katrina
- As a result of saltwater intrusion that makes most citrus acres in the state not suitable for replanting and lost revenue for horticulture growers (flowers, fruits and vegetables), establishes a separate disaster assistance program for citrus, horticulture (flowers, fruits and vegetables), nursery crops and Christmas tree producers based on the program established for Florida producers due to Hurricanes Charley, Frances and Jeanne during August and September 2004.
- Provides \$190 million for the Emergency Watershed Protection Program for the repair of damages to waterways and watersheds in parishes impacted by Hurricane Katrina. In addition, provides \$40 million for the Emergency Conservation Program to rehabilitate farmland damaged by Hurricane Katrina.
- To address losses of timber that could exceed \$700 million, provide authority under the Tree Assistance Program to cover timber and Christmas trees, provides \$28 million for restoration and rehabilitation of forest lands in parishes destroyed or damaged by Hurricane Katrina and \$34 million to support research and education activities to study the damage inflicted on the State's forestry caused by Hurricane Katrina.
- \$120 million for the clean up, renovation, repair and replacement of laboratory facilities and equipment at the Southern Regional Research Center at New Orleans, LA which suffered extensive damage as a result of Hurricane Katrina
- \$25,490,073 shall be available until expended for completion of the of the ARS Sugarcane Research Laboratory at Houma, Louisiana to do research and development.
- Provides \$210 million in water and waste grants and loans to Louisianans in areas affected by Hurricane Katrina.
- Provides \$200 million in community facilities direct grants and loans to Louisianans in areas affected by Hurricane Katrina.

Army Corps of Engineers: Protecting Essential Louisiana Infrastructure, Citizens, and Nature (PELICAN) Program

- Establishes a PELICAN Commission to more timely and cost effectively implement needed hurricane protection, flood control, coastal restoration, and navigation projects in an integrated and comprehensive

- fashion without having to come back to Congress for any other approval.
- Appropriates \$40 billion to the Commission to quickly approve and fund the design and implementation of these corps projects.
 - The PELICAN Commission is composed of 9 members as follows:
 - a chairperson appointed by the President
 - the Chief of Engineers of U.S. Army Corps of Engineers
 - the NOAA Administrator
 - the Louisiana member of the Mississippi River Commission
 - the Governor of Louisiana
 - a Louisianian, appointed by the President, with expertise in commerce
 - a Louisianian, appointed by the President, with expertise in environment
 - a Louisianian, appointed by the President, with expertise in flood control, and
 - a Louisianian, appointed by the President, with expertise in maritime matters
 - Directs the Commission to engage the Corps to develop, within 6 months and annually thereafter, a Work Plan for designing and implementing these projects “to simultaneously protect the Louisiana coastal area from future flooding and devastation caused by hurricanes, restore and reconstruct coastal wetlands, and provide for navigational interest.”
 - Upon the Commission’s approval of the Corps’ Work Plan, the Commission shall fund the Corps to immediately begin implementation of the projects without having to come back to Congress for any other approval.

Economic Development

- Provides \$10 billion in Community Development Block Grant Funding to create a Louisiana Business Redevelopment Fund for economic recovery and development activities. The State of Louisiana and local authorities in the affected disaster parishes shall distribute these funds through a development corporation, modeled upon the Lower Manhattan Development Corporation that is overseeing reconstruction efforts in the World Trade Center area.
- Establishes a Gulf of Mexico State Disaster Economic and Education Transition/Recovery/Relocation Fund and provide \$1 billion for recovery assistance for the impacted Federal and State agencies, businesses, institutions of higher education, and public-private partnerships in the disaster areas of the Gulf of Mexico states resulting from Hurricane Katrina.
- Provides \$70 million for the Hollings Manufacturing Extension Partnership of the National Institute of Standards and Technology to restore the manufacturing and supply base in Louisiana, Mississippi, and Alabama that was adversely affected by Hurricane Katrina.
- Gives the Secretary of Commerce the authority to direct the United States Customs Service to issue an automatic liquidation to provide much needed relief to the domestic crawfish processors in Louisiana, Mississippi and Alabama who have been adversely affected by Hurricane Katrina and the continued dumping of crawfish tail meat from China.
- Directs the Secretary of Commerce to provide \$35 million per year for the next five years for the creation and maintenance of an Export Assistance Program in Louisiana. This program would support export-related training and development assistance to companies in these states and provides them with assistance in seeking access to international markets for their products, including travel and marketing assistance.
- Provides \$200 million over a five year period from the Economic Development Administration of the U.S. Department of Commerce for an entrepreneurship redevelopment program to rebuild and diversify the recovering economies in Louisiana. Funding provides for an entrepreneur facility, a seed capital fund, a business accelerator program, and operation costs for the program.

Transportation Infrastructure Restoration

- \$13 billion is provided to the Louisiana Department of Transportation and Development, subdivided for the following purposes: \$7 billion for Evacuation and Energy Routes, \$5 billion to increase transportation capacity in cities affected by an influx of evacuees, and \$1 billion to ports in Louisiana for restoration, protection and improvement.
- \$1 billion is specifically provided to the Port of New Orleans for Restoration, Protection and Improvement
- Revenue replacement provisions have been included to support several transportation agencies. The revenue replacement provisions are spread across the applicable sections of the subtitle, they are as follows:
 - \$ 190 million to replace the revenue loss of the Regional Transit Authority
 - \$ 71.8 million to replace the revenue loss of the New Orleans Airport
 - \$ 36 million to replace the revenue loss of the Public Belt Railroad
- \$2.9 billion is provided for the Highway Emergency Relief program and will be funded through the Treasury rather than the Highway Trust Fund
- FHWA is directed to reimburse La DOTD the cost of replacing the “twin-span” bridge as a 6-lane bridge at current width standards
- \$20 million is provided to the 5 development districts of South Louisiana to develop comprehensive plans for development after Hurricane Katrina.
- In an effort to stimulate shipbuilding, \$150 million is provided under Title XI of the Merchant Marine Act of 1936, as amended at a risk rate of 5 percent.

Tax Relief

- Provides the state with \$30 billion in tax exempt bond financing authority for rebuilding in the disaster area.
- Allows displaced persons to make tax-deferred, penalty-free withdrawals from retirement plans to rebuild their homes and businesses.
- Gives hurricane victims, businesses, and non-profits a tax deduction for expenses incurred during the evacuation, provided that they return to affected areas.
- Up to half of worker wages in the Katrina Disaster Zone will not be subject to federal income taxation.
- Tax credit for investments in property placed in service in the Katrina Disaster Zone.
- Provides a \$1,000 tax credit for each employee a small business puts back to work in the disaster area.

Environment

- Establishes the Louisiana Restoration Stamp Fund. The funds from the sales of the stamp will be deposited into the Louisiana Restoration Stamp fund. Monies from the fund will be used for restoration activities in the State of Louisiana affected by Hurricane Katrina.
- \$1 billion over ten years for the Environmental Protection Agency to use to provide for the restoration of Lake Pontchartrain, individual properties and public spaces.
- \$7 billion to EPA for water infrastructure repairs; drinking water emergency assistance grants; technical assistance grants; local reimbursement program; and activities related to reoccupation of buildings
- Allows President to waive or modify applicability of certain requirements under any law so that there is legal authority to continue to work without stopping work until it is cleared up or until Congress Acts to waive the requirement.
- \$10 million to the Secretary of Agriculture to be transferred in the form of a direct lump sum payment to the Louisiana Department of Wildlife and Fisheries, of which \$8 million is for financial assistance to affected alligator farms and \$2 million is for assessment, research and mitigation activities.
- \$150 million to the National Park Service for the Historic Preservation Grant Program for grants for preservation and conservation work on nationally significant historic structures and sites in the areas affected by Hurricane Katrina.

Law Enforcement

- Prohibits knowingly making a false statement or nondisclosure that results in an individual receiving federal aid under this Act. Subjects violators to enhanced penalties under the federal criminal code.
- Grants volunteers who provide assistance to victims of Hurricane Katrina immunity from liability for injuries resulting from aid provided to such victims, except for injuries caused by willful, wanton, reckless or criminal conduct or conduct that constitutes a violation of a federal or state civil rights law.
- Provides the statutory authority to permit judicial branch employees to participate in emergency leave transfer programs that are currently available to all executive branch employees.